

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7205
BILL NUMBER: SB 530

DATE PREPARED: Jan 4, 2002
BILL AMENDED:

SUBJECT: Courts and Court Officers.

FISCAL ANALYST: Mark Goodpaster
PHONE NUMBER: 232-9852

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (A) It requires the state to pay the full salary of 17 full-time juvenile magistrates who are currently paid in part from state funds and in part from county funds.
- (B) It establishes a superior court in Howard County and in DeKalb County. It provides that the initial judges of the DeKalb and Howard County superior courts are appointed for terms beginning January 1, 2003.
- (C) It eliminates the small claims referee in the DeKalb superior court. It provides one additional magistrate for the LaPorte circuit and superior courts.
- (D) It changes the method of appointment of magistrates in LaPorte County.
- (E) It authorizes Henry Superior Court No. 2 to appoint a small claims referee.
- (F) It corrects a technical error to bring the law governing the Elkhart circuit court into conformity with provisions of the law governing the Elkhart superior court that state the number of magistrates jointly appointed by the Elkhart circuit and superior courts.
- (G) It provides for payment of senior judges who have served at least 30 days without interruption in a calendar year at the rate set under a compensation schedule adopted by the Supreme Court.

Effective Date: July 1, 2002; January 1, 2003.

Explanation of State Expenditures: *Summary: This bill results in total added costs of \$1,003,419 in FY 2003 and \$1,136,096 in FY 2004 and in each year thereafter.*

<u>Provision</u>	<u>Description</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A.	State Payment of Juvenile Court Magistrates	\$778,634	\$778,634	\$778,634
B.	New Courts in Howard and DeKalb	\$137,677	\$275,354	\$275,354
C.	Eliminate Small Claims Referee in DeKalb County	(\$5,000)	(\$10,000)	(\$10,000)
D.	New Magistrate in Laporte County	\$92,108	\$92,108	\$92,108
	Total Costs	\$1,003,419	\$1,136,096	\$1,136,096

Background Information:

Provision A: (Effective July 1, 2002) Under current law, the salary of juvenile magistrates is paid by both the county and the state. Currently, the county pays \$41,393 of the \$72,000 salary. Under this bill, the state would pay the entire salary of these juvenile magistrates. The following shows the additional costs to the state to pick up the local share.

County Share of Juvenile Court Magistrate Salary		\$41,393
Employee Share of Public Employees Retirement Fund	+	\$1,242
County Share of Social Security Payments	+	\$3,167
Total Cost for Each Magistrate:		\$45,802
Number of Magistrates	x	17
Added Expenditures for the State		<u>\$778,634</u>

Provision B: (Effective January 1, 2003) Each new court would cost the state an estimated \$137,677 for a twelve-month period. Consequently, these two new courts would cost the state a total of \$275,354 annually. The term of the initially selected judges would begin January 1, 2003. Consequently, the cost to the state for FY 2003 would be \$137,677.

The added costs to the state for each court is shown below:

<u>Cost Item</u>	<u>How Cost Determined</u>	<u>Cost</u>
Salary	Specified in statute	\$90,000
Life Insurance	0.41% of Salary	\$369
Health, Dental, and Vision	Estimated by the State Budget Agency	\$6,033
Social Security	7.65% of salary	\$6,885
Disability Insurance	2.1% of salary estimated by State Budget Agency	\$1,890
Judges' Retirement Fund	35% of Salary	\$31,500
Judicial Center	Includes materials and postage, but not possible staffing	<u>\$1,000</u>
Total Cost per Court:		<u>\$137,677</u>

Provision C: (Effective July 1, 2002) Under current law, the State General Fund pays \$10,000 of the annual salary of a small claims referee in DeKalb County. This portion of the statute will be repealed, **reducing the cost to the state by \$10,000.**

Provision D: (Effective July 1, 2002) This provision would add a magistrate to LaPorte County's court system. The added costs of a magistrate are **\$92,108** and include the following amounts.

Salary	\$72,000
Life Insurance	\$295
Social Security	\$5,508
PERF	\$5,760
Disability Insurance	\$1,512
Costs for Judicial Center	\$1,000
Health, Dental, and Vision	<u>\$6,033</u>
Total Cost Per Magistrate	<u>\$92,108</u>

Provision F: There will be no additional expenditures due to these provisions since no new magistrates would be added for Elkhart County.

Provision G: (Effective July 1, 2002) Under current law, senior judges are entitled to \$50 for each day they serve on the bench. They are limited in state law to serving 100 days. This provision would allow senior judges to receive a per diem of not more than \$200 if they serve more than 30 calendar days without interruption until they reach the maximum 100 days. The per diem would be set by the Supreme Court. Because the limit of 100 days per year would still be in effect, the maximum that a senior judge would be able to receive would be \$15,500. This maximum is calculated as follows:

Amount Paid	Number of Days	Payment
\$50	30	\$1,500
\$200	70	<u>\$14,000</u>
Total Maximum Payments:		<u>\$15,500</u>

The current maximum, based on 100 days per year at \$50 per day, is \$5,000. The difference that would be allowed by this bill is \$10,500 per judge.

Depending on the unspent balance in the Judges Payroll Account, additional expenditures may need an additional appropriation. The following shows the unspent portion of the Judges Payroll Account at the end of the fiscal years from 1999 to 2001.

Fiscal Year	Appropriation	Unspent Portion At End of Year
1999	\$37,097,474	\$2,574,454
2000	\$36,345,045	\$0
2001	\$37,687,125	\$41

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary: This bill results in reduced expenditures of \$378,760 in CY 2002 and \$767,520 in CY 2003 and in years thereafter.*

		CY 2002	CY 2003	CY 2004
A.	State Payment of Juvenile Court Magistrates	\$378,760	\$757,520	\$757,520
C.	Eliminate Small Claims Referee in DeKalb County	\$0	\$10,000	\$10,000
	Total Savings	\$378,760	\$767,520	\$767,520

Background Information:

Provision A: (Effective July 1, 2002) Eight counties in Indiana employ 17 juvenile court magistrates. Expenditures for these counties would be reduced by **\$757,520** annually based on the following calculation:

County Share of Juvenile Court Magistrate Salary		\$41,393
County Share of Social Security Payments	+	\$3,167
Total Cost for Each Magistrate:		\$44,560
Number of Magistrates	x	17
Annual Savings to Counties		\$757,520

These counties (and the number of juvenile court magistrates that they have) include: Lake (4), Marion (4), Allen (3), Vigo (1), Porter (1), Elkhart (1), Vanderburgh (1), Johnson (1), and St. Joseph (1).

Provision B and C: (Effective January 1, 2003) DeKalb County would no longer need to pay **\$10,000** annually for a small claims referee. Both DeKalb and Howard Counties may incur additional costs for new staff, particularly for a bailiff, clerical staff, and court reporter.

The added costs from *Provision E* will depend on the salary that Henry County would pay the small claims referee and any court space and staff that it needs.

Explanation of Local Revenues:

State Agencies Affected: Indiana Judicial Center.

Local Agencies Affected: Courts; County Clerks.

Information Sources: Division of State Court Administration, Indiana Supreme Court; 1999 Indiana Judicial Services Report.